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13

- Minneapolis
- The future of S[illegible] ownership awaits vote
- Escapade readies Playboy's venture into cable
- Prime time network ratings show cable gain

CableVision

The news and features weekly of the cable television industry

January 18, 1982

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Inside:
CableVision Plus premieres

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CableVision Volume 7, Number 19. January 18, 1982

Between the lines/5
CableScope/9
Newswire/10
Leading the week/13
Programming/23
Marketing/28
Advertising/30
CableVision Plus/31
Business/55
Government & law/62
Technology/65
People/66
Events/68
Classifieds/70
Advertisers' index/75
From Washington/76
Cable stats/79
Parting words/82

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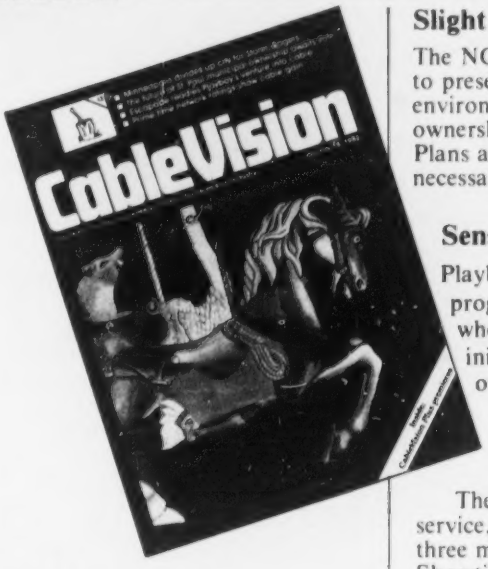


CableVision Plus

This week, in the marketing and advertising feature supplement, *CableVision Plus* looks at programmers' use of marketing lures to sell their service. In two sidebar pieces, ad agencies are rated by cable programmers, and CBS Cable's courting of the Alameda, California, franchise is examined. **Page 31.**

Making friends

UA-Rogers Cablesystems and Storer Cable have buried the hatchet in Minneapolis where the two companies have been competing for the city's cable franchise for more than two years. A letter was sent to the city council requesting that the city divide itself in half with a piece for both companies. **Page 13.**

By a thread

The terms of the network pooling agreement were dictated by union contracts, and the White House is the only party left to sign. **Page 13.**

Role playing

The referendum in St. Paul deciding the future of the city's plans to design a municipally-owned cable system will be determined in April during the general election. The Minnesota Cable Communications Association and the NCTA are in the preliminary stages of determining what role to play during the public referendum. **Page 16.**

Slight deficiency

The NCTA board will ask the FCC to preserve a fair and competitive environment in terms of cross-ownership, terming the Office of Plans and Policy's study deficient of necessary information. **Page 17.**

Sensual fare

Playboy's venture into cable programming commences January 22, when Escapade begins carrying the initial hour-long video adaptation of *Playboy* magazine. **Page 23.**

The mark of Z

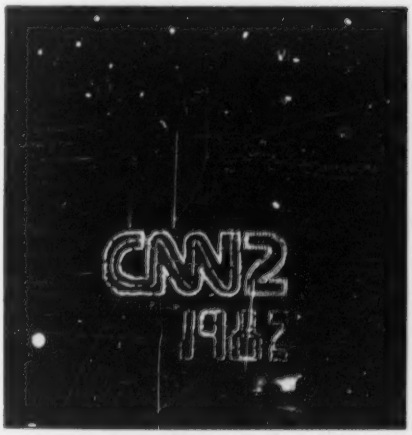
Theta Cable's stand-alone pay service, Z Channel, will soon have three more pay companions. HBO, Showtime and The Movie Channel join the line-up in an expensive marketing campaign. **Page 28.**

One moment, please

Compton Advertising calls a report on competing cable news services "imprudent," apologizing to TBS Chairman Ted Turner by saying the intention of the report was "not to get involved with the 'infighting' between competing news operations." **Page 30.**

Specializing

A new industry association, designed to give minorities more voice in the industry has been formed, called Minorities in Cable and New Technologies. **Page 55.**



Sparks definitely flew during CNN2's launch at midnight, December 31. The fireworks display took place in front of Turner Broadcasting System's headquarters.

CRITICS SAY CNN OFFERS THE BEST N

Of course, that's not news to us. We've known it all along. But it's nice to know that the word is out. So we've decided to reprint a few of those words. These, in particular, come from Richard Morehead of THE DALLAS NEWS.

Refreshing look at the news.

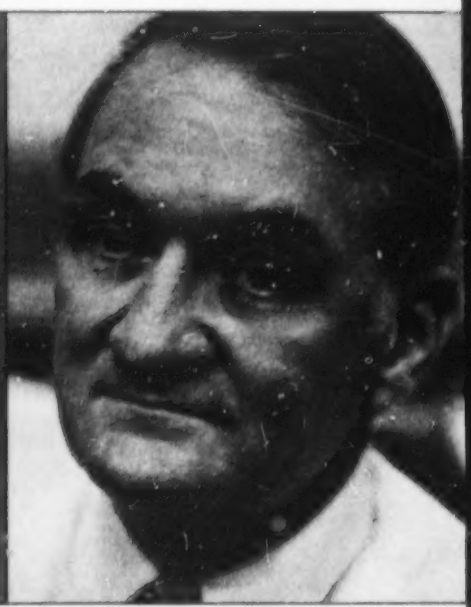
Ted Turner's Cable News Network deserves the recognition it is getting by offering the best news coverage of any television network.

"Cable News Network met with NBC, CBS to discuss merging." The *Wall Street Journal* headlined recently. The story added that ABC officials have been conferring with Westinghouse Broadcasting about beginning an all-news network like Turner's.

Aside from offering more news than the other networks, CNN has another important appeal.

It offers news without bias. At least its anchor people make a great effort to be objective.

Cities with television cable service, like Austin, increasingly are taking CNN on one 24-hour news channel. The Atlanta-based service first came



Thank you, Mr. Morehead. We appreciate the kind words. But, as we say, we knew we had a good thing all along. And now, so do the critics. And so can your subscribers.

So, if you haven't discovered what a great thing CNN can be for your subscribers, we have some great news for you. Just call Nory LeBrun at (404) 898-8500 or write him at Cable News Network, 1050 Techwood Drive, Atlanta, Georgia 30318.

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WS COVERAGE OF ANY TV NETWORK.

to our attention last year, and it is spreading across the nation via satellite.

It is my favorite TV news source, and I marvel at its ability to provide 24 hours, day and night, of interesting news and commentary. My appetite for news doubtless exceeds the average and admittedly even CNN can give me an overdose. A fellow needs sleep sometimes.

But CNN is a refreshing experience after years of frustration from depending on the three major networks and pundits-experts to express their conventional wisdom about news events. There are exceptions, but credibility of reporting has suffered greatly.

Now comes CNN with staff people to summarize the news, then give the viewer the bigger picture to see for himself/herself. That's what old-time journalism teachers described as the way to report news.

Unless labeled as opinion, CNN broadcasts seldom indicate the views of its reporters. It does occasionally offer short commentaries, ranging from Bella Abzug to Barry Goldwater, and it has talk shows with opinions.

Turner spends a fortune every week on his new venture, and we wish him success with it. CNN deserves to stay in business, if for no reason other than that the regular networks (Turner calls them "nit-works") are being forced to re-examine their news program policies.

CABLE'S MOST IMPORTANT NETWORK.

TURNER BROADCASTING SYSTEM

1050 TECHWOOD DRIVE, NORTHWEST. ATLANTA, GEORGIA 30318

except the Universal tier, at a cost of $5.95.

Mile Hi further alleged that United's and Teleprompter's average basic costs change significantly when second set revenues are considered. "It is common knowledge in the cable industry that the consultant would not include second set revenues in the basic service cost calculation; Teleprompter and United adjusted their numbers accordingly."

Including second set revenues, Mile Hi shows its average basic cost is lower than the competition's. Mile Hi accused Teleprompter of "low-balling" capital dollars and overestimating basic subscribers in order to come up with low basic rates.

Both Teleprompter and Mile Hi lambasted United for its 23-month construction schedule and pointed to an apparent discrepancy in the proposal between United's claim it will "wind down" construction in the suburbs and its remaining commitments in 1982 and 1983.

Rick Clevinger, vice president of engineering for United, replied that the totals presented in the proposal were in error.

Clevinger said the Denver suburbs require 1,832 plant miles—1,568 miles of which will be completed by August 1982, the tentative date on which construction in the city is to begin. That schedule leaves some 264 miles to be completed in the suburbs.

Clevinger said that since spring United has achieved an average rate of 70 miles per month, the pace at which it will have to build in order to wire the city of Denver within two years.

—Victoria Gits

Slipping in one sweep

One commercial network's figures says all three in the field have lower viewership in cable homes, basic and pay

NEW YORK—A breakdown of November 1981 sweep ratings compiled by ABC shows that network and its competition, CBS and NBC, registering lower viewership levels in both pay and basic cable households. Using A.C. Nielsen data as a base, the breakdown was released to *CableVision* last week.

In all television households, ABC and CBS ended up two-tenths of one percentage point apart for the month—an 18.9 rating for ABC to 18.7 for CBS (see accompanying chart). NBC trailed with a 16.3 rating. In pay cable households, the figures show all three networks lose audience, CBS suffering the biggest loss with 3.1 points. ABC dropped only four-tenths in ratings; NBC 1.9 points. Recent programming on the commercial networks included such movies and specials as *Mary Poppins, Close Encounters of the Third Kind, Jacqueline Bouvier Kennedy* and *Skokie*, while the pay networks served up *Ordinary People, The Blue Lagoon* and *Rough Cut*.

A rule of thumb is that networks get their lowest viewership in pay cable homes, their highest in non-cable households. Basic cable homes fall in between. That pattern followed true-to-form in ABC's data. All three networks beat their overall television household ratings for the month in non-cabled households. But the basic cable figure turned up a surprise development for ABC—a decline of 1.5 percentage points in viewing in basic cable homes, compared to pay cable homes.

ABC Entertainment Research Vice President Roy Rothstein expressed little surprise at the network's basic cable figure for the month. "It's not unexpected that CBS and NBC picked up their ratings in basic cable homes, or that we do better in pay homes. We seem to appeal more to major market households, which tend to have pay, than rural areas that take basic cable to increase their reception." Asked whether basic cable networks were more the culprit behind lower ABC ratings than are distant signals, Rothstein added, "We really don't know. But the guess is that the impact of basic networks is not that great."

ABC's basic cable figure did draw a puzzled reaction from NBC's audience research vice president, George Hooper. "The numbers don't make sense," he said. "I can think of no reason why ABC should be lower in basic cable homes. They should be in the mid-range. I'm darned if I can figure it out offhand."

On CBS's end, researcher Ted Kneisler declines to speculate about his network's pay cable performance. "It's hard to say. . . obviously, the shows we had on during the month appeal less to the people with pay."

Commenting on ABC's November 1981 figures, executives at all three networks echoed the philosophy that a bigger base of television households and more competition from independent stations (WTBS included in the latter category by CBS's Kneisler) had more to do with the decline of network prime-time viewing than pay or basic cable programming quality. "There's an increased homes base now. Don't discount that," remarked one ABC official. "A program getting a 28 share in prime time now may have just as many or more homes as a 30 share show one year ago." Added Kneisler, "The competition we're getting is mostly from the independents, particularly the ones penetrating via cable. ESPN, CNN and other basic networks have an audience, but a small one. They usually end up with a one rating, if at all."

Nevertheless, ABC's figures may suggest a confirmation to some industry experts of a gradual downward trend for commercial network ratings in prime time. When the 1981-'82 season started, the three-network share began at 89, and as of early December, had gone down to 81 for one week.

With the season still lacking a solid hit show among the new series, there is talk of dissatisfaction with the networks and increased satisfaction with pay and basic fare. "We can speculate about the reasons for lower network audiences, but we can't prove them one way or the other," claims NBC's Hooper. "At this point, affiliate preemptions for shows like a Billy Graham crusade have a greater effect on the ratings than cable."

—Simon Applebaum

Prime-time network ratings—November 1981

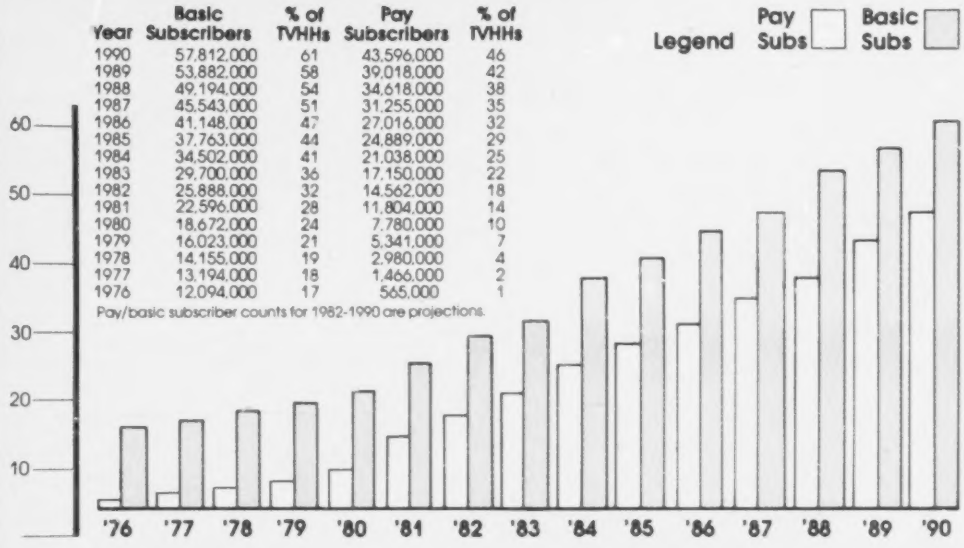
Source: ABC, based on A.C. Nielsen figures.

All Television Households	
ABC	18.9
CBS	18.7
NBC	16.3
Basic Cable Households	
CBS	18.3
ABC	17.0
NBC	16.0
Pay Cable Households	
ABC	18.5
CBS	15.6
NBC	14.4
Non-Cabled Households	
ABC	19.4
CBS	19.3
NBC	16.9

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections.



Cable barometer

Television households (TVHH) ... 80,700,000

Homes passed by cable (HP) 41,574,977

Percent of TVHH passed by cable 51.52%

Basic cable subscribers 22,596,000

Percent of TVHH with basic cable .. 28.00%

Percent of HP with basic cable .. 54.35%

Pay cable subscribers 11,804,000

Percent of TVHH with pay cable 14.62%

Percent of HP with pay cable 28.39%

Percent of basic subs with pay cable 52.24%

Cable services' subscriber counts—1981 review

Basic Cable Services (television)*	Systems	Homes	% Change In Homes From 11/30/81
WTBS	3,774	17,945,000	+2.28
CBN	3,300	14,700,000	+2.80
ESPN	3,033	13,609,478	+3.30
CNN	1,866	10,668,500	+12.18
C-SPAN	1,200	10,500,000	N.C.
USA Network	1,700	9,500,000	+2.70
BET	804	8,858,774	+1.21
WGN	2,252	7,547,157	+1.94
Nickelodeon/ARTS	1,350**	6,200,000	+7.83
WOR	1,188	4,607,784	+3.53
PTL	418	4,200,000	-2.44
Modern Satellite Network	541	4,100,000	N.C.
SPN (as of 12/15)	383	3,508,364	+3.04
CBS Cable	250	3,000,000	N.C.
SIN	160	2,772,500***	+0.57
AETN	285	2,681,478	N.C.
MTV	300	2,500,000	N.C.
National Jewish Television	71	1,626,825	+0.77
ACSN	204	1,381,304	-3.12
Christian Media Network	180	1,300,000	N.C.
Trinity	140	1,271,562	N.C.
Episcopal Television Network	72	1,047,000	+0.48
North American Newstime	115	884,000	+6.51
CNN 2 (new this month)	N.A.	780,000	N.A.
Eternal Word Television Network	22	300,000	N.C.
National Christian Network	21	299,819	+11.12
Basic Cable Services (audio)*			
WFMT	101	649,093	+5.40
Lifestyle	*30	300,000	N.C.
STV Service (television)*			
SelecTV Programming	9	225,000	N.C.
Pay Cable Services (television)*			
Home Box Office	3,200	8,000,000	N.C.
Showtime	1,300	2,800,000	N.C.
The Movie Channel	1,500	1,750,000	N.C.
Cinemax	400	700,000	N.C.
Escapade	90	185,000	+2.78
Home Theater Network	245	150,000	N.C.
Private Screenings****	11	127,000	N.C.
GalaVision	105	92,000	N.C.
Bravo	25	47,000	+4.44

Announced Satellite-Fed Cable Services	Projected Launch Date
Home Theater Network Plus	3/1/82
Daytime	3/15/82
RCTV/The Entertainment Channel	first quarter 1982
Cable Health Network	first quarter 1982
Satellite News Channels (channel one)	first quarter 1982
National Jazz Network (audio)	first quarter 1982
The Nashville Network	second quarter 1982
Cable Newspaper Corporation	second quarter 1982
UTV Cable Network	second quarter 1982
Kidvid Network	second quarter 1982
ESPN/ABC pay sports service	second quarter 1982
The Weather Channel	second quarter 1982
Home Music Store (audio)	second quarter 1982
Cinemerica	mid-1982
WBLS-TV/Black Music Cable Network (Inner City Unity)	third quarter 1982
Heartbeat Media Network	third quarter 1982
Satellite News Channels (channel two)	fourth quarter 1982
The Disney Channel	first quarter 1983
SPN/international network	second quarter 1984
SPN/financial-religious network	second quarter 1984
SPN/classic movie service	second quarter 1984
SPN/how-to network	second quarter 1984
Las Vegas Entertainment Network	to be announced
The Buena Vista Channel	T.B.A.
Lewmark Productions' Music Channel	T.B.A.
Spanish Universal Network	T.B.A.
Window (independent producers network)	T.B.A.
Video Concert Hall (relaunch)	T.B.A.
Penthouse Entertainment Network	T.B.A.
Times Mirror Shopping Channel	T.B.A.
The Nostalgia Network	T.B.A.
Spotlight (industry-wide launch)	T.B.A.
Family Programming Network (Billy Batts)	T.B.A.

*Satellite-fed services' subscriber counts are as of December 31, 1981, unless noted otherwise.

**In last month's "Cablestats," Nickelodeon/ARTS' systems count was inadvertently listed as 1,500; this month's system count is the correct total.

***Estimated Spanish-speaking households; includes broadcast stations and translators. Total SIN reach: 21,343,490.

****Includes STV outlets.

N.A. designates not available.

N.C. designates no change.

Cable stats

Systems gained in 1981

Basic Cable Services (television)	Systems	% Change From 12/29/80
ESPN	1,735	+133.67
CNN	1,220	+188.85
WTBS	1,123	+42.36
WGN	993	+78.87
WOR	693	+140.00
Nickelodeon/ARTS	675	+100.00
CBN	600	+22.22
USA Network	600	+54.55
C-SPAN	285	+31.15
BET	256	+46.72
PTL	176	+72.73
ACSN	149	+270.91
Modern Satellite Network	145	+36.62
SPN	145	+60.92
SIN	84	+110.53
Trinity	-296	-89.16
Basic Cable Service (audio)		
WFMT	61	+152.50
Pay Cable Services (television)		
Home Box Office	1,200	+60.00
The Movie Channel	850	+130.77
Cinemax	570	+438.46
Showtime	400	+44.44
Home Theater Network	95	+63.33
GalaVision	61	+138.64

Homes gained in 1981

Basic Cable Services (television)	Homes	% Change From 12/29/80
WTBS	7,551,880	+72.66
CNN	6,601,304	+162.31
ESPN	6,280,150	+85.69
CBN	5,700,000	+63.33
BET	3,625,407	+69.27
C-SPAN	3,500,000	+50.00
USA Network	3,500,000	+58.33
WGN	2,962,278	+64.61
Nickelodeon/ARTS	2,700,000	+77.14
WOR	1,556,784	+51.03
Modern Satellite Network	950,000	+30.16
ACSN	881,304	+176.26
SPN	777,513	+28.47
PTL	400,000	+10.53
SIN	181,900	+7.02
Trinity	-2,478,438	-66.09
Basic Cable Service (audio)		
WFMT	317,463	+96.73
Pay Cable Services (television)		
Home Box Office	3,000,000	+60.00
Showtime	1,200,000	+75.00
The Movie Channel	1,150,000	+191.67
Cinemax	700,000	N.A.
GalaVision	56,000	+155.56
Home Theater Network	19,000	+14.29

Systems gained in last six months

Basic Cable Services (television)	Systems	% Change From 6/30/81
ESPN	851	+39.00
WTBS	604	+19.05
CNN	596	+46.93
WGN	517	+29.80
CBN	500	+17.86
WOR	329	+38.30
USA Network	275	+19.30
Nickelodeon/ARTS	150	+12.50
SPN	131	+51.98
BET	119	+17.37
PTL	99	+31.03
Trinity	59	+72.84
ACSN	54	+36.00
SIN	54	+50.94
C-SPAN	50	+4.35
Modern Satellite Network	41	+8.20
North American Newstime	41	+55.41
National Jewish Television	33	+86.84
Episcopal Television Network	19	+35.85
Basic Cable Services (audio)		
WFMT	35	+53.03
Lifestyle	14	+87.50
Pay Cable Services (television)		
HBO	700	+28.00
The Movie Channel	325	+27.66
Showtime	200	+18.18
Home Theater Network	70	+40.00
Cinemax	50	+14.29
GalaVision	17	+19.32
Private Screenings	6	+120.00

Homes gained in last six months

Basic Cable Services (television)	Homes	% Change From 6/30/81
WTBS	5,408,609	+43.14
CNN	3,668,500	+52.41
ESPN	3,065,797	+29.08
CBN	2,900,000	+24.58
C-SPAN	2,400,000	+29.63
BET	1,665,685	+23.16
WGN	1,565,496	+26.17
USA Network	1,500,000	+18.75
Nickelodeon/ARTS	1,450,000	+30.53
WOR	893,913	+24.07
National Jewish Television	764,623	+88.68
SPN	749,089	+27.15
ACSN	484,304	+53.99
Modern Satellite Network	400,000	+10.81
PTL	350,000	+9.09
Trinity	284,562	+28.83
North American Newstime	199,000	+29.05
SIN	98,900	+3.70
Episcopal Television Network	91,000	+9.52
Basic Cable Services (audio)		
Lifestyle	224,877	+299.35
WFMT	127,733	+24.50
Pay Cable Services (television)		
Home Box Office	2,000,000	+33.33
Showtime	800,000	+40.00
The Movie Channel	650,000	+59.09
Cinemax	200,000	+40.00
Private Screenings	43,500	+52.10
Home Theater Network	20,000	+15.38
GalaVision	15,000	+19.48

Top 25 cable systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	209,000
2.	Oyster Bay (Long Island), NY	Cablevision Systems	140,000
3.	Manhattan, NY	ATC	135,000
4.	West Orange, NJ	Maclean Hunter	114,626
5.	Los Angeles, CA	Teleprompter	100,000
6.	Wayne, NJ	UA-Columbia	94,937
7.	Tulsa, OK	United Cable	91,113
8.	Erie County, NY	Prime Cable	90,961
9.	San Jose, CA	Gill Industries	86,000
10.	Audubon, NJ	NYT Cable	84,610
11.	Central Islip, NY	Viacom	78,663
12.	Tidewater, VA	Cox Cable	78,407
13.	San Antonio, TX	UA-Columbia	74,167
14.	Manhattan, NY	Teleprompter	68,600
15.	Winter Park (Orlando), FL	ATC	68,550
16.	Toledo, OH	Buckeye Cablevision	66,907
17.	Wilmington, DE	Rollins Cablevision	65,600
18.	Austin, TX	ATC	65,295
19.	Seattle, WA	Teleprompter	63,900
20.	Grand Rapids, MI	General Electric Cablevision	63,777
21.	Honolulu, HI	ATC	59,400
22.	San Francisco, CA	Viacom	58,641
23.	Flint, MI	Comcast	57,255
24.	Allentown, PA	Twin County Cable TV	57,000
25.	Santa Barbara, CA	Cox Cable	54,945